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Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 1.doc

(If submitting an electronically, please label with date, agency, and title of proposal—092611_SDE_TechRevisions)

State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC Penalty Waivers.

Statutory Reference

Conn. Gen. Stat. §12-3a

Proposal Summary

To increase the minimum threshold amount for penalty waivers that do not need to be reviewed by the Penalty Waiver Committee from \$500 to \$1,000.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

• Reason for Proposal

Raising the threshold would provide for more efficient administration of penalty waivers.

• Origin of Proposal

☐ New Proposal

☒ Resubmission

The proposal was favorably acted upon by the Finance Committee in the 2012 Session; however, it did not make it out of the Senate, as it was included in SB 357 (File 577).



AAC Penalty Waivers.

Section 1. Section 12-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) There is created a Penalty Review Committee which shall consist of the State Comptroller or an employee of the office of the State Comptroller designated by said Comptroller, the Secretary of the Office of Policy and Management or an employee of the Office of Policy and Management designated by said secretary and the Commissioner of Revenue Services or an employee of the Department of Revenue Services designated by said commissioner. Said committee shall meet monthly or as often as necessary to approve any waiver of penalty, where such waiver is in excess of one thousand dollars, which the Commissioner of Revenue Services [, or the Commissioner of Consumer Protection,] is authorized to waive in accordance with this title, [which is in excess of five hundred dollars] or which the Commissioner of Consumer Protection is authorized to waive in accordance with chapter 226. A majority vote of the committee shall be required for approval of such waiver.

(b) An itemized statement of all waivers approved under this section shall be available to the public for inspection by any person.

(c) The Penalty Review Committee created pursuant to subsection (a) of this section shall adopt regulations in accordance with chapter 54 establishing guidelines for the waiver of any penalty, where such waiver is in excess of [five hundred] one thousand dollars.

(d) Any person aggrieved by the action of the Penalty Review Committee may, within one month after notice of such action is delivered or mailed to such person, appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the members of said committee to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable. If the appeal is without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 2.doc

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State Agency: Department of Revenue Services

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Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Use of Return Information in Personnel Proceedings.

Statutory Reference

Conn. Gen. Stat. §§12-15 (b) and 5-240

Proposal Summary

To allow the commissioner to disclose returns and return information in a personnel proceeding involving a current or former DRS employee. Such information would be disclosed if the commissioner determines that it is relevant and material to the proceedings. No further disclosure is allowed by anyone involved in the proceeding.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

• Reason for Proposal

Current law does not expressly authorize the disclosure of such information in a personnel proceeding. The information may be important to either side in presenting their case.

• Origin of Proposal

☐ New Proposal

☒ Resubmission



The proposal was favorably acted upon by the Finance Committee in the 2012 Session; however, it did not make it out of the Senate, as it was included in SB 357 (File 577).

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

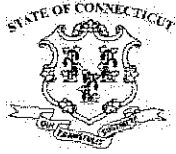
State

None

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



AAC the Use of Return Information in Personnel Proceedings.

Section 1. Subsection (b) of section 12-15 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(b) The commissioner may disclose (1) returns or return information to (A) an authorized representative of another state agency or office, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any state law is being violated, or (B) an authorized representative of an agency or office of the United States, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any federal law is being violated, provided no such agency or office shall disclose such returns or return information, other than in a judicial or administrative proceeding to which such agency or office is a party pertaining to the enforcement of state or federal law, as the case may be, in a form which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer except that the names and addresses of jurors or potential jurors and the fact that the names were derived from the list of taxpayers pursuant to chapter 884 may be disclosed by the Judicial Branch; (2) returns or return information to the Auditors of Public Accounts, when required in the course of duty under chapter 23; (3) returns or return information to tax officers of another state or of a Canadian province or of a political subdivision of such other state or province or of the District of Columbia or to any officer of the United States Treasury Department or the United States Department of Health and Human Services, authorized for such purpose in accordance with an agreement between this state and such other state, province, political subdivision, the District of Columbia or department, respectively, when required in the administration of taxes imposed under the laws of such other state, province, political subdivision, the District of Columbia or the United States, respectively, and when a reciprocal arrangement exists; (4) returns or return information in any action, case or proceeding in any court of competent jurisdiction, when the commissioner or any other state department or agency is a party, and when such information is directly involved in such action, case or proceeding; (5) returns or return information to a taxpayer or its authorized representative, upon written request for a return filed by or return information on such taxpayer; (6) returns or return information to a successor, receiver, trustee, executor, administrator, assignee, guardian or guarantor of a taxpayer, when such person establishes, to the satisfaction of the commissioner, that such person has a material interest which will be affected by information contained in such returns or return information; (7) information to the assessor or an authorized representative of the chief executive officer of a Connecticut municipality, when the information disclosed is limited to (A) a list of real or personal property that is or may be subject to property taxes in such municipality, or (B) a list containing the name of each person who is issued any license, permit or certificate which is required, under the provisions of this title, to be conspicuously displayed and whose address is in such municipality; (8) real estate conveyance tax return information or controlling interest transfer tax return information to the town clerk or an authorized representative of the chief executive officer of a Connecticut municipality to which the information relates; (9) estate tax returns and estate tax return information to the Probate Court Administrator or to the court of probate for the district within which a decedent resided at the date of the decedent's death, or within which the commissioner contends that a decedent resided at the date of the decedent's death or, if a decedent died a nonresident of this state, in the court of probate for the district within which real estate or tangible personal property of the decedent is situated, or within which the commissioner contends that real estate or tangible personal property of the decedent is situated;



(10) returns or return information to the (A) Secretary of the Office of Policy and Management for purposes of subsection (b) of section 12-7a, and (B) Office of Fiscal Analysis for purposes of, and subject to the provisions of, subdivision (2) of subsection (f) of section 12-7b; (11) return information to the Jury Administrator, when the information disclosed is limited to the names, addresses, federal Social Security numbers and dates of birth, if available, of residents of this state, as defined in subdivision (1) of subsection (a) of section 12-701; (12) pursuant to regulations adopted by the commissioner, returns or return information to any person to the extent necessary in connection with the processing, storage, transmission or reproduction of such returns or return information, and the programming, maintenance, repair, testing or procurement of equipment, or the providing of other services, for purposes of tax administration; (13) without written request and unless the commissioner determines that disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation, returns and return information which may constitute evidence of a violation of any civil or criminal law of this state or the United States to the extent necessary to apprise the head of such agency or office charged with the responsibility of enforcing such law, in which event the head of such agency or office may disclose such return information to officers and employees of such agency or office to the extent necessary to enforce such law; (14) names and addresses of operators, as defined in section 12-407, to tourism districts, as defined in section 10-397; (15) names of each licensed dealer, as defined in section 12-285, and the location of the premises covered by the dealer's license; (16) to a tobacco product manufacturer that places funds into escrow pursuant to the provisions of subsection (a) of section 4-28i, return information of a distributor licensed under the provisions of chapter 214 or chapter 214a, provided the information disclosed is limited to information relating to such manufacturer's sales to consumers within this state, whether directly or through a distributor, dealer or similar intermediary or intermediaries, of cigarettes, as defined in section 4-28h, and further provided there is reasonable cause to believe that such manufacturer is not in compliance with section 4-28i; (17) returns, which shall not include a copy of the return filed with the commissioner, or return information for purposes of section 12-217z; [and] (18) returns or return information to the State Elections Enforcement Commission, upon written request by said commission, when necessary to investigate suspected violations of state election laws; and (19) returns or return information for purposes of, and subject to the conditions of, subsection (e) of section 5-240, as amended by this act.

Sec. 2. Section 5-240 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) An appointing authority, subject to any regulations issued by the Secretary of the Office of Policy and Management, may reprimand or warn an employee in the classified service under the appointing authority's jurisdiction or suspend such an employee without pay or with reduced pay for an aggregate period not exceeding sixty calendar days in any calendar year. For any employee not included in any collective bargaining unit of state employees, any written reprimand or warning shall be included in the employee's personnel file and, if not merged in the next service rating, shall be expunged after twelve months from the date of reprimand or warning. Any such written reprimand or warning may be reviewed in accordance with the procedures established in subsections (h) and (i) of section 5-202.

(b) An appointing authority, subject to any regulations issued by the Secretary of the Office of Policy and Management, may demote an employee in the classified service under the appointing authority's jurisdiction from a position in any given class or grade to a position in a lower class or



grade. The appointing authority shall give the Secretary of the Office of Policy and Management or the secretary's designated representative written notice of the authority's intention to effect any such demotion not less than two weeks before the date it is intended to become effective. The Secretary of the Office of Policy and Management may transfer such an employee whose record is otherwise satisfactory to a position under the jurisdiction of another appointing authority, with the approval of such other appointing authority.

(c) An appointing authority may dismiss any employee in the classified service when the authority considers the good of the service will be served thereby. A permanent employee shall be given written notice of such dismissal at least two weeks in advance of the employee's dismissal, except as hereinafter provided, and a copy of the same shall be filed with the Secretary of the Office of Policy and Management or the secretary's designated representative. Such notice shall set forth the reasons for dismissal in sufficient detail to indicate whether the employee was discharged for misconduct, incompetence or other reasons relating to the effective performance of the employee's duties and shall be prepared in such form and given in such manner as the Secretary of the Office of Policy and Management prescribes. The Secretary of the Office of Policy and Management may provide by regulation for the waiving of advance notice in cases of serious misconduct by an employee affecting the public, the welfare, health or safety of patients, inmates or state employees or the protection of state property. Such regulation shall provide for written notice to a permanent employee who has attained permanent status and shall not preclude whatever rights any employee may have to appeal. The name of any such employee dismissed for incompetence or other reasons relating to the effective performance of the employee's duties shall be immediately removed from the eligible list in the office of the Commissioner of Administrative Services. No appointing authority shall pay any dismissed employee notice period pay or any other separation pay at a rate that exceeds the dismissed employee's rate of compensation, at the time of dismissal, for two weeks, or the amount of notice period provided for in an applicable collective bargaining agreement.

(d) An appointing authority, subject to any regulations issued by the Secretary of the Office of Policy and Management, may lay off any employee in the classified service as provided in section 5-241.

(e) (1) As provided in subsection (b) of section 12-15, as amended by this act, the Commissioner of Revenue Services may, subject to such terms and conditions as said commissioner may prescribe, disclose return or return information, as defined in said section 12-15, in connection with a personnel proceeding, including any administrative or judicial proceedings related thereto, involving an employee or former employee of the Department of Revenue Services, if said commissioner determines that such information is relevant and material to such proceeding. Return and return information disclosed under this subsection shall be used only for purposes of and to the extent necessary in such proceeding and shall not be further disclosed by any person involved in such proceeding.

(2) Any person who violates any provision of this subsection shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 3.doc

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC Changes to the Captive Insurers Provisions.

Statutory Reference

Conn. Gen. Stat. §38a-91nn as amended by P.A. 12-1, June 12 Spec. Sess.

Proposal Summary

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

• Reason for Proposal

To conform the recently amended captive insurance statutes (2012 Pub. Acts 1, June 12 Spec. Sess., §215) to the earlier captives language for purposes of the due date and procedural provisions.

• Origin of Proposal ☐ New Proposal ☒ Resubmission

The proposal was favorably acted upon by the Finance Committee in the 2012 Session, however, it did not make it out of the Senate, as it was included in SB 357 (File 577). This change was supposed to be made in the June 12 Special Session, but was omitted.

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

No administrative costs.

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

Need to have uniformity in the insurance premiums taxes and captive insurers for due dates and other procedural provisions.



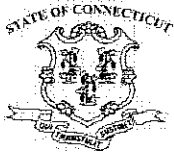
AAC Changes to the Captive Insurers Provisions.

Section 1. Subsection (b) of section 38a-91nn of the 2012 supplement to the general statutes, as amended by section 66 of public act 11-1 of the October special session, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(b) Each captive insurance company shall pay to the Commissioner of Revenue Services, [in the month of March] on or before March first of each year, a tax at the rate of (1) two hundred fourteen thousandths of one per cent on the first twenty million dollars, (2) one hundred forty-three thousandths of one per cent on the next twenty million dollars, (3) forty-eight thousandths of one per cent on the next twenty million dollars, and (4) twenty-four thousandths of one per cent on each dollar thereafter, on assumed reinsurance premiums collected or contracted for on policies or contracts of insurance written by the captive insurance company during the year ending December thirty-first next preceding, provided no tax under this subsection shall apply to premiums for risks or portions of risks that are subject to taxation on a direct basis pursuant to subsection (a) of this section. No tax under this subsection shall be payable in connection with the receipt of assets in exchange for the assumption by a captive insurance company of loss reserves and other liabilities of another insurer under common ownership and control, if such transaction is part of a plan to discontinue the operations of such other insurer and if the intent of the parties to such transaction is to renew or maintain such business with the captive insurance company.

Sec. 2. Subsection (d) of section 38a-91nn of the 2012 supplement to the general statutes, as amended by section 66 of public act 11-1 of the October special session, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013, and applicable to calendar years commencing on or after January 1, 2013*):

(d) The provisions of sections 12-204, [12-204d,] 12-204c to 12-204g, inclusive, and 12-205 to 12-208, inclusive, shall apply to the provisions of sections 38a-91aa to 38a-91tt, inclusive, as amended by this act, in the same manner and with the same force and effect as if the language of said sections 12-204, [12-204d,] 12-204c to 12-204g, inclusive, and 12-205 to 12-208, inclusive, had been incorporated in full into this section and had expressly referred to the tax due under this section, except to the extent that any such language is inconsistent with a provision of said sections 38a-91aa to 38a-91tt, inclusive, as amended by this act.



Agency Legislative Proposal - 2013 Session

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office/Compliance Bureau

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Collection of Sales Tax by Cigarette and Alcoholic Beverages Distributors.

Statutory Reference

Chapters 214 (Cigarette), 219 (Sales & Use) and 220 (Alcoholic Beverages)

Proposal Summary

To require the collection of Sales Tax by Cigarette Distributors and Alcoholic Beverages Distributors on their sales to their retail customers. The retailer, in return, would receive a credit for the sales tax already paid over when filing their return and would only remit the balance of tax due.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

• Reason for Proposal

To ensure compliance. This area, especially with cash businesses, has a high non-compliance rate. This would ensure revenue is received and minimize delinquencies.

• **Origin of Proposal** ☒ **New Proposal** ☐ **Resubmission**



PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

Revenue gain due to better compliance.

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 5.doc

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State Agency: Department of Revenue Services

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E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Interest Rates on Underpayments and Overpayments of Taxes.

Statutory Reference

Various chapters.

Proposal Summary

Tie the interest rate for both underpayments and overpayments to the federal rate. It is proposed that this be done on an annual basis. Under current Connecticut law, the interest rate for underpayments is 12% per annum and the interest rate for overpayments is 8%. Under federal law, interest rates for calendar quarters commencing October 12, 2012 are :

- three (3) percent for overpayments [two (2) percent in the case of a corporation];
- three (3) percent for underpayments;
- five (5) percent for large corporate underpayments; and
- one-half (0.5) percent for the portion of a corporate overpayment exceeding \$10,000

Change to be effective July 1, 2014.

PROPOSAL BACKGROUND

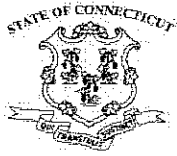
• Reason for Proposal

Interest rates should not be considered punitive. They should reflect either the reasonable loss to the state of unpaid balances or reasonable loss to the taxpayer for the unpaid refund.

• Origin of Proposal

☒ X New Proposal

☐ Resubmission



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PROPOSAL IMPACT

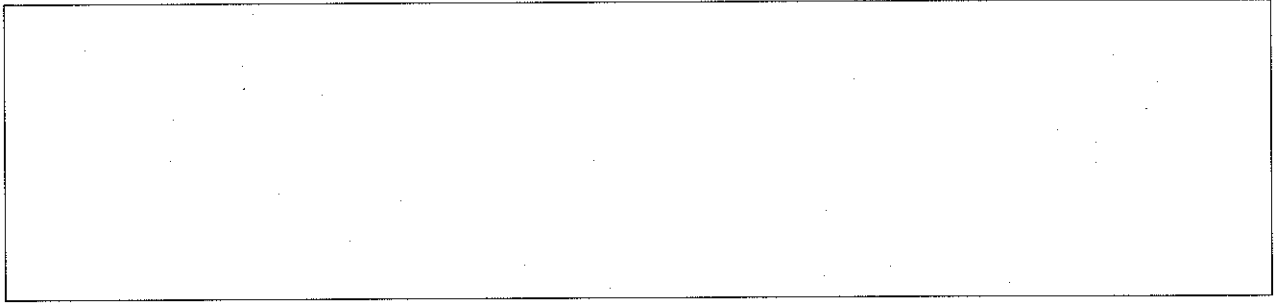
- **Agencies Affected** (please list for each affected agency)

Agency Name:
Agency Contact (name, title, phone):
Date Contacted:
Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency's Comments
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
State Will reduce amount collected and paid out on underpayments and refunds, respectively.
Federal
Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)





Agency Legislative Proposal - 2013 Session

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Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Operations Bureau.

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Date Upon Which Refund Interest is Calculated.

Statutory Reference

Chapters 217 (Estate) and 228c (Gift) and certain gross earnings taxes.

Proposal Summary

Currently, the majority of taxes that are administered by DRS that require the State to pay interest on overpayments provide that interest begins to accrue on the 91st day following the date the claim for refund was filed. Overpayments of Gift and Estate Taxes and certain gross earnings taxes, however, require the payment of interest from the original due date of the return. This proposal would amend the provisions of Ch. 217, Ch. 228c and certain gross earnings taxes to conform to the majority of other taxes and, thereby, provide uniform treatment for the application of refund interest.

PROPOSAL BACKGROUND

• Reason for Proposal

To make all refund provisions consistent.

• Origin of Proposal

☒ New Proposal

☐ Resubmission



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 7.doc

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Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Compliance Bureau

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AA Imposing a Civil Penalty for Operating without a Sales Tax Permit.

Statutory Reference

Chapter 219 (Sales & Use Tax)

Proposal Summary

Allow the Commissioner to impose a civil penalty for operating without a Sales and Use tax permit. We would suggest \$250 for the first day and \$100 for each subsequent day. Currently, New York, Missouri and Vermont have similar provisions.

PROPOSAL BACKGROUND

• Reason for Proposal

To encourage compliance. The civil penalty would act as a deterrent and reduce the number of taxpayers who are in violation of this law. We have criminal penalties, however, these are more difficult to assess and uphold.

• Origin of Proposal

☒ **X** New Proposal

☐ Resubmission

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



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Lead agency division requesting this proposal: Compliance Bureau

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC Tax Licenses.

Statutory Reference

Title 12

Proposal Summary

To prohibit the issuance of a tax license or permit (e.g., Sales and Use Tax, Cigarette Retailer, Tobacco Products) by DRS to any person who has an outstanding tax liability. Once in compliance, the license or permit could be issued.

PROPOSAL BACKGROUND

• Reason for Proposal

To insure tax payment compliance. Licenses or permits should not be issued to taxpayers who are in arrears with DRS or have not met their filing responsibilities.

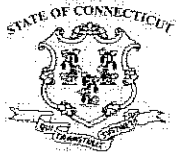
• Origin of Proposal

☒ X New Proposal

☐ Resubmission

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State Potential gain.

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 9.doc

(If submitting an electronically, please label with date, agency, and title of proposal -- 092611_SDE_TechRevisions)

State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office/Operations

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Electronic Filing and Paying of Taxes.

Statutory Reference

Chapters 213a (BET) and 876 (Attorney's Occupational Tax).

Proposal Summary

To require the electronic filing and payment of the Business Entity Tax and the Attorney's Occupational Tax. The annual liability for both of these taxes fall below the currently mandated threshold prescribed in Conn. Gen. Stat. §12-686. The Department proposes that the electronic filing and payment requirements would be implemented by 2016.

PROPOSAL BACKGROUND

- **Reason for Proposal**

To improve collections, reduce costs and provide more efficiency for taxpayers.

- **Origin of Proposal** ☒ **New Proposal** ☐ **Resubmission**

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

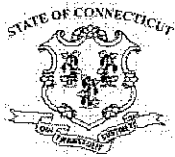
Municipal (please include any municipal mandate that can be found within legislation)

State Cost savings

Federal

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 10.doc

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Compliance Bureau

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AA Providing for Electronic Matching with Financial Institutions.

Statutory Reference

Proposal Summary

In situations where a liability has become final and the taxpayer has exhausted all statutory appeals rights, the Department is seeking the ability to exchange information with banking institutions. This new process would enable DRS to provide an electronic file of potential garnishments to financial institutions in connection with final liabilities. Based on the information received from the financial institution, the Department will eliminate low balance and no account debtors from the collection process. This proposed legislation will improve the overall effectiveness and efficiency of the Department's collection process. The program is modeled after a successful initiative in North Carolina.

PROPOSAL BACKGROUND

• Reason for Proposal

Automated collection practices are occurring in many states. This will result in increased collections, reduced costs and more efficiency within a compressed agency. In addition, we believe this will be less of a burden on financial institutions as they will not be processing invalid requests.

Origin of Proposal

☒ New Proposal

☐ Resubmission



PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State Better use of resources and better collections.

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 11.doc

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Commissioner's Office

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Petroleum Products Gross Earnings Tax.

Statutory Reference

Chapter 227

Proposal Summary

This proposal will more clearly limit the "nuisance" scope of the petroleum gross receipts tax, assist pending DECD initiatives and more efficiently deploy limited DRS staffing without significantly reducing revenues as intended when the tax was first enacted.

PROPOSAL BACKGROUND

• Reason for Proposal

To reduce taxpayer uncertainty, more efficiently focus agency resources and encourage economic development.

Origin of Proposal

☒ **X** New Proposal

☐ Resubmission

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name: DECD

Agency Contact (name, title, phone):

Date Contacted: 9/25/12

Approve of Proposal ☒ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments : This will positively benefit at least one major pending business expansion initiative.

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 12.doc

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AA Providing Consistency in the Application of the Gross Earnings Tax on CATVs, Certified Competitive Video Service Providers and Satellite Companies.

Statutory Reference

§12-256 (Chapter 211)

Proposal Summary

To clarify the application of chapter 211 so that CATVs, certified competitive video service providers (CCVSPs) and satellite companies are taxed on their gross receipts. Currently, CATVs are taxed on their gross earnings from their lines, facilities, apparatus and auxiliary equipment. While CCVSPs and satellite providers are taxed solely on their gross earnings from the transmission to subscribers.

PROPOSAL BACKGROUND

• Reason for Proposal

To provide consistent tax treatment.

Origin of Proposal

☒ **X** New Proposal

☐ Resubmission

PROPOSAL IMPACT

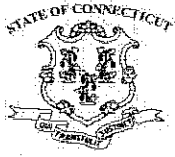


• **Agencies Affected** (please list for each affected agency)

Agency Name: Agency Contact (name, title, phone): Date Contacted: Approve of Proposal ___ YES ___ NO ___ Talks Ongoing
Summary of Affected Agency's Comments
Will there need to be further negotiation? ___ YES ___ NO

• **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
State Revenue impact will be determined by which tax basis is adopted.
Federal
Additional notes on fiscal impact
Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 13.doc

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Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Application of Overpayments to Estimated Tax for Insurance Premiums

Taxes.

Statutory Reference

Chapter 207

Proposal Summary

Amend chapter 207 to mirror the amendment made to chapter 208 (Conn. Gen. Stat. §12-242g as amended by 2011 Conn. Pub. Acts 61, §56) regarding the application of overpayments to estimated tax in the succeeding income year. This would be an amendment to §12-204f.

PROPOSAL BACKGROUND

• Reason for Proposal

To provide consistency

Origin of Proposal

☒ New Proposal

☐ Resubmission

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

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DRS 14.doc

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Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Film Infrastructure Credit.

Statutory Reference

Chapter 208

Proposal Summary

To amend the Film Infrastructure Tax Credit to allow assignees to claim the credit in the four year window to be consistent with both the Film Production and Digital Animation Credits.

PROPOSAL BACKGROUND

• Reason for Proposal

To provide consistency within the three film credits.

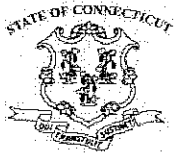
Origin of Proposal

☒ **New Proposal**

☐ **Resubmission**

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

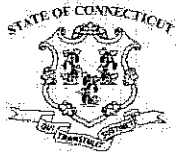
Municipal (please include any municipal mandate that can be found within legislation)

State Revenue neutral.

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 15.doc

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC Credit Ordering for Insurance Premiums Taxes.

Statutory Reference

Chapter 207 (and maybe certain gross earnings taxes)

Proposal Summary

Amend Ch. 207 to add a statute that provides for the ordering of tax credits. For consistency purposes, the ordering rules must follow those set forth in Ch. 208 (Conn. Gen. Stat. §12-217aa).

PROPOSAL BACKGROUND

• Reason for Proposal

As additional credits may now be applied to Insurance Premiums Tax, including carryover and assignable credits, an ordering rule needs to be enacted.

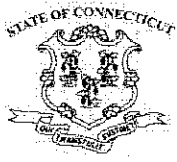
Origin of Proposal

☒ **New Proposal**

☐ **Resubmission**

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

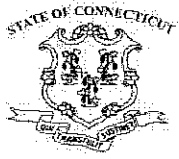
Municipal (please include any municipal mandate that can be found within legislation)

State None

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 16.doc

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Donation of Land for Educational Use and Donation of Open Space Credits.

Statutory Reference

Proposal Summary

To provide consolidate and/or make uniform the credit carryforward periods for both credits. The Donation of Land for Educational Use credit (§12-217ff) carryforward is 15 years. The Donation of Open Space Land credit (§12-217dd) is 25 years. We are proposing to make them both 25. In addition, the provisions of §12-217ff could be consolidated in §12-217dd.

PROPOSAL BACKGROUND

• Reason for Proposal

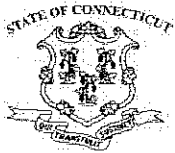
To reduce complexity and provide uniform tracking requirements.

Origin of Proposal

☒ X New Proposal

☐ Resubmission

PROPOSAL IMPACT



- **Agencies Affected** (please list for each affected agency)

Agency Name: Agency Contact (name, title, phone): Date Contacted: Approve of Proposal ___ YES ___ NO ___ Talks Ongoing
Summary of Affected Agency's Comments
Will there need to be further negotiation? ___ YES ___ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
State None
Federal
Additional notes on fiscal impact
Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 17.doc

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State Agency: Department of Revenue Services

Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Governor's Tax Task Force Initiatives.

Statutory Reference

Proposal Summary

Placeholder for Task Force's recommendations.

PROPOSAL BACKGROUND

- Reason for Proposal

Origin of Proposal

☒ **New Proposal**

☐ **Resubmission**

PROPOSAL IMPACT

- Agencies Affected** (please list for each affected agency)



Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ☐ YES ☐ NO ☐ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ☐ YES ☐ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State None

Federal

Additional notes on fiscal impact

Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)



Agency Legislative Proposal - 2013 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):

DRS 18.doc

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Liaison: Susan Sherman / Ernie Adamo

Phone: (860) 297-5693 / (860) 297-5694

E-mail: susan.sherman@po.state.ct.us / ernest.adamo@po.state.ct.us

Lead agency division requesting this proposal: Office of Counsel

Agency Analyst/Drafter of Proposal: Susan Sherman

Title of Proposal

AAC the Electric Generators Tax.

Statutory Reference Ch. 212b

Proposal Summary

Amend the definition of "person subject to tax" set forth in Conn. Gen. Stat. §12-268s to include any person that generates electricity that is ultimately uploaded to the regional bulk power grid. Currently, only those persons who both generate and upload electricity are subject to the tax.

PROPOSAL BACKGROUND

• Reason for Proposal

To close a loophole.

Origin of Proposal

☒ **New Proposal**

☐ **Resubmission**

PROPOSAL IMPACT

• Agencies Affected (please list for each affected agency)



Agency Name: Agency Contact (name, title, phone): Date Contacted: Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency's Comments
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
State Revenue Gain
Federal
Additional notes on fiscal impact
Policy and Programmatic Impacts (Please specify the proposal section associated with the impact)